

BOUCHER INTRODUCES UNIVERSAL SERVICE REFORM ACT OF 2010

Legislation Will Help Expand Broadband Services in Rural Areas

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Broadband is to communities today what electricity and basic telephone service were one hundred years ago. It is the new essential infrastructure for the commercial success of all communities, urban and rural. It is also rapidly becoming the platform by which many Americans receive all of their communications services—voice, video and data. Broadband is the bridge for remote rural communities to the American economic mainstream.

In the Ninth district, we have first hand evidence of how broadband access can improve the economic well-being and quality of life for rural residents. With federal funds a fiber optic backbone has been built linking some of our most rural communities. Now technology based employers are locating in the region because of the data transport access the fiber backbone provides. In the Town of Lebanon in Russell County, 700 jobs in software engineering and data center management are powering a 21st Century economy. In addition, in March, a major satellite television company chose our region to operate a virtual call center as the result of the access to high-speed Internet services available throughout the area.

Technology based companies like these actively seek locations for new operations where their data access needs can be met, the costs of doing business are low, well-trained workers are available, and the quality of life is excellent. With our work to expand broadband access across the region, Southwest Virginia is making major job creating investments.

But large areas in rural America are still only served by dialup Internet access connections. For broadband truly to change the way our nation works and lives and for it to achieve its true potential as an economic driver, it must be universally available.

The policy of promoting universal access to communications services for all Americans has been a foundation of our nation's economic and social development. We have long understood and accepted the principle that universally available and affordable telephone service benefits not only the residents of high cost and difficult to serve rural areas, but also the residents of urban areas who want to communicate with them. That same principle underpins our determination to expand broadband availability to all Americans, and we should use the same funding mechanism that has assured available and affordable rural telephone service to assist our effort to achieve universal broadband deployment.

But the Universal Service Fund, which helps to ensure that all Americans have access to voice telephone service at reasonable rates, is broken and in need of a comprehensive overhaul. Consumers currently pay more than fifteen percent of long distance revenues into the fund. Moreover, the Fund under current law cannot be used to support the deployment of broadband facilities.

To remedy these shortcomings, I have now introduced a comprehensive reform of the program with Rep. Lee Terry, a senior member of the Subcommittee on Communications, Technology, and the Internet, which I chair. Our measure will stabilize the Universal Service Fund and ensure its continued viability by allowing use of the Fund for broadband deployment, broadening the base of contributions into the Fund, and imposing new restraints on distributions from the Fund. It will also promote universal availability of broadband by requiring recipients of universal service support to provide broadband throughout their service territories at download and upload speeds set by the Federal Communications Commission, and updated periodically as changes in technology warrant.

Our legislation is a comprehensive and forward-looking measure, which will control the spiraling growth of the Universal Service Fund while ensuring that support for both telephone services and broadband is available to the carriers which rely on it.

The Internet and its widespread availability over broadband offers the best opportunity for rural communities to contribute to the global conversation and economy. With a broadband connection, a small business in Southwest Virginia can offer any number of services to people all over the world. Students in rural schools can have access to advanced instruction by distance learning, and rural health clinics through telemedicine can offer the foremost in highly specialized care.

Reforming the Universal Service Fund and transitioning it to supporting rural broadband deployment is the surest way to ensure access to broadband by all, including those in our most rural, remote and underserved communities. I look forward to working with my colleagues to ensure that this measure is approved by Congress and signed into law.

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